

To: Audit and Governance Committee

Date: 9 March 2020

Report of: Head of Financial Services

Title of Report: Risk Management Reporting as at 31 January 2020.

Summary and Recommendations

Purpose of report: To update the Committee on both corporate and service risks as at 31 January 2020.

Key decision: No

Executive lead member: Councillor Ed Turner

Policy Framework: Efficient and Effective Council

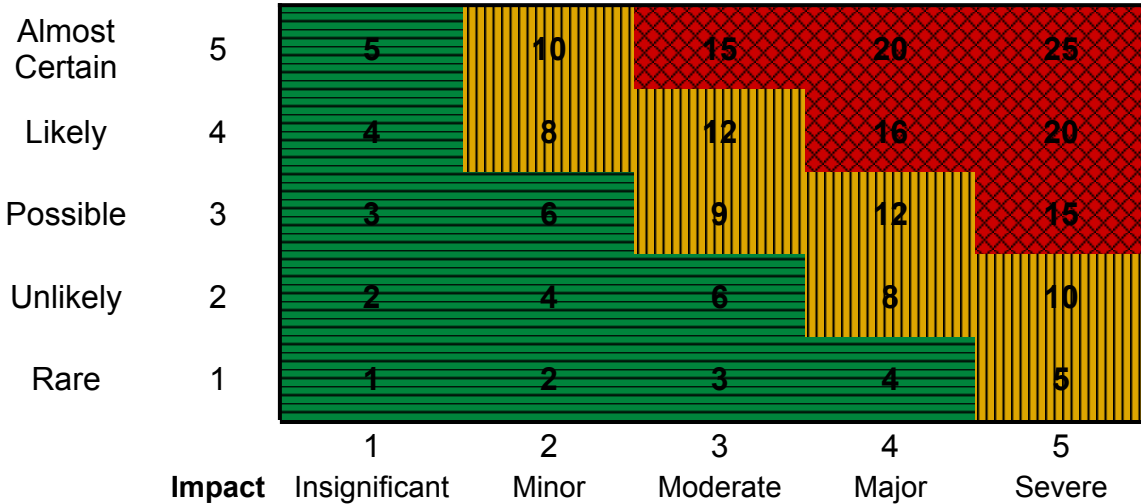
Recommendation(s): That the Committee reviews the risk management report and notes its contents

Appendices: Appendix A Corporate Risk Register

Risk Scoring Matrix

1. The Council operates a 'five by five' scoring matrix based on probability and impact. The methodology for scoring risks is set out below along with a copy of the scoring matrix or 'heat map'.
2. It is possible to get the same score but end up with a different result in the heat map. For example if the probability of an event occurring is high but the impact is low it is likely to have a lower rating on the heat map. However, the higher the potential impact score the more likely the event will be classed as a red risk on the matrix.
3. The risk prioritisation matrix is shown below.

Probability



Key:



Risk Identification

- Corporate Risks** – The Corporate Risk Register (CRR) is reviewed by the Corporate Management Team (CMT) on a periodic basis, any new risks are incorporated into a revised version of the CRR. Risk owners of corporate risks are generally Executive Directors.
- Service Risks** – Service Area risks are reviewed periodically by Heads of Service and Service Managers. The Financial Accounting Manager has oversight of all risks and on a quarterly basis will review service risks to determine whether they should be considered for inclusion in the Corporate Risk Register.
- Project and Programme Risk** – The Council adopts the principles of Prince2 and agile methodologies in addition to recognised industry standards in construction for managing projects. Incorporated within these methodologies is a robust process for the management of risk within a project environment. Each project is managed by the Project Manager who controls and co-ordinates all aspects of the project through to conclusion.

Corporate Risk Register – 31st January 2020

- The Audit and Governance Committee receives information on risk on a quarterly basis. Given the timing of the Committee the Corporate Risk Register attached at Appendix A is as at 31st January.
- The number of Red risks has remained at one.
- Details of the Red risk is as follows:-
 - Housing** – the Council has key priorities around housing which include ensuring housing delivery and supply for the City of Oxford and enabling

sufficient house building and investment. Insufficient housing in Oxford leads to an increase in homelessness which has an impact on residents. There are also health and quality of life issues. The Council is implementing delivery methods for temporary accommodation and accommodation for homelessness prevention which include a rent guarantee scheme, a growth deal to facilitate additional affordable housing and a tranche of property purchases to be delivered via real lettings. In addition the Council's housing companies are in the process of constructing new affordable homes and the Cabinet has approved plans which will result in the Council's Housing Revenue Account ("HRA") purchasing the social housing using its new borrowing headroom, following the removal of the HRA borrowing cap by central government.

10. No risks have been closed in the period.
11. The table below shows the levels of Red, Amber and Green current risks over the last 12 months.

Current Risk	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20
Red	1	3	1	1
Amber	10	8	9	10
Green	1	1	2	1
Total risks	12	12	12	12

Service Risk Registers

12. Each year as part of the service planning process, all service risks are reviewed, those no longer relevant are deleted, and any new ones are added.
13. The table below shows the number of service risks as at the 31st January compared with the last 12 months.

Current Risk	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20
Red	2	3	3	4
Amber	37	34	35	30
Green	12	10	9	13
Total risks	51	47	47	47
New risks in quarter	4	0	0	0
Closed	5	4	0	0

14. The number of Red risks has increased to four. Three remain at Red and the new Red risk was originally Amber.

15. Details of the Red risks are as follows:

- **Planning Services** - this relates to new partnership challenges to ensure the Oxford Growth strategy is supported. Brexit and local political changes could result in a review of the housing numbers which may result in plans being withdrawn or partnerships dissolved. This is being closely monitored across relevant departments within Oxford City Council.
- **Planning Services** – this relates to opposition to emerging statutory plans. The Local Plan 2036 is emerging and with changes to the National Planning Policy Framework and local political changes, this has increased the risk of legal challenges and the need for evidence to support the Council’s position. A communication strategy is being developed for all key planning and regulatory projects.
- **Financial Services** – this relates to Treasury Management and the safety of investments. This risk is constantly Red because of the potentially high impact, although the probability of a loss occurring is rated as “possible” due to the controls the Council has in place around counterparty selection and duration of investment.
- **Regulatory Services** – this relates to Public Health Protection. The emergence of Coronavirus has increased the probability given the level of tourism from affected areas in Oxford. Our resources remain the same and will be directed as necessary by Public Health England.

Climate Change / Environmental Impact

16. There are no specific impacts arising directly from this report.

Equalities impact

17. There are no equalities impacts arising directly from this report

Financial Implications

18. There are no financial implications arising directly from this report.

Legal Implications

19. There are no legal implications directly relevant to this report but having proper arrangements to manage risk throughout the organisation is an important component of good corporate governance and good business management.

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List of background papers: None.

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